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2000 OCT 32 P 5:00



FEDERAL COMMUNICATIONS COMMISSION

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**COMMENT SOUGHT ON RECOMMENDED DECISION ISSUED BY
FEDERAL-STATE JOINT BOARD ON JURISDICTIONAL SEPARATIONS**

PLEADING CYCLE ESTABLISHED

CC Docket No. 80-286

Release Date: October 30, 2000

Comment Date: Fifteen days from publication of this *Public Notice* in the Federal Register

Reply Comment Date: Twenty-five days from publication of this *Public Notice* in the Federal Register

On July 21, 2000, the Federal-State Joint Board on Jurisdictional Separations (Joint Board) released a *Recommended Decision* for instituting an interim freeze of the Part 36 category relationships and jurisdictional allocation factors.¹ On August 15, 2000, we released a public notice, similar to this *Public Notice*, that sought comment on the *Recommended Decision*.² The *Aug. 15 Public Notice* inadvertently was not published in the Federal Register. In order to provide adequate notice to interested parties, we now release this *Public Notice* seeking comment on the *Recommended Decision*.³

The Joint Board recommended that the Commission institute a five-year freeze of all Part 36 category relationships and allocation factors for price cap carriers, and a freeze of the allocation factors for rate-of-return carriers. The Joint Board recommended that the Commission adopt a freeze based on carriers' data from the twelve months prior to the Commission's issuance of an order on the *Recommended Decision*. The Joint Board further recommended that the freeze should be mandatory and apply to all carriers subject to the Commission's Part 36 rules. The Joint Board recommended that the freeze remain in effect for five years, or until the Commission takes further action pursuant to a recommendation from the Joint Board, whichever occurs first. During the

¹ See *Jurisdictional Separations Reform and Referral to the Federal-State Joint Board*, CC Docket No. 80-286, Recommended Decision, FCC 00J-2 (rel. July 21, 2000) (*Recommended Decision*).

² See *Jurisdictional Separations Reform and Referral to the Federal-State Joint Board*, CC Docket No. 80-286, Public Notice, DA 00-1865 (rel. August 15, 2000) (*Aug. 15 Public Notice*).

³ Parties who have already filed comments in response to the *Aug. 15 Public Notice* need not refile their comments.

interim freeze period, the Joint Board recommended that the Joint Board and the Commission continue to review issues regarding separations reform, as specified in the *Recommended Decision*. We seek comment on the Joint Board's recommendations.

The Joint Board also recommended that the Commission further develop the record in this proceeding on the impact of increased intrastate usage on jurisdictional allocations and consumers since 1995. Accordingly, we seek comment on the impact of increased intrastate usage since 1995 on jurisdictional allocations and consumers. The Joint Board noted that one possible explanation for the increase in intrastate usage is the growth in the use of the local network to connect to the Internet since 1995. As a result, we seek comment on the impact of Internet traffic growth on jurisdictional allocations since 1995. We request that companies provide specific information on Internet usage minutes, including the percentage of local minutes and total minutes that represent Internet traffic. This usage information should include data from internet service providers both affiliated and non-affiliated with incumbent local exchange carriers. If estimates are used in determining these statistics, we request that commenters provide detailed explanation and justification for these estimates and their underlying assumptions, including all studies and related work papers.

The Joint Board recommended that, if the Commission finds that Internet traffic is jurisdictionally interstate in the proceeding that has been initiated as a result of the remand by the United States Court of Appeals for the D.C. Circuit on the Commission's *Reciprocal Compensation Ruling*,⁴ the Commission freeze the local dial equipment minutes (DEM) factor for the duration of the freeze at some substantial portion of the current year level based on data from the twelve months preceding the implementation of the freeze. The Joint Board recommended that, based on the record established in connection with the *Recommended Decision*, the precise percentage of the current year's local DEM should be established according to how much of a reduction in local DEM is warranted in light of any effects that Internet usage has had on jurisdictional allocations or consumers. We seek comment on this recommendation.

Procedures for Filing Comments

Pursuant to sections 1.415 and 1.419 of the Commission's rules, 47 C.F.R. §§ 1.415, 1.419, interested parties may file comments on or before **fifteen days from publication of this Public Notice in the Federal Register**, and reply comments on or before **twenty-five days from publication of this Public Notice in the Federal Register**. Comments may be filed using the Commission's Electronic Comment Filing System (ECFS) or by filing paper copies. *See*

⁴ *See Implementation of the Local Competition Provisions of the Telecommunications Act of 1996; Inter-Carrier Compensation for ISP-Bound Traffic*, Declaratory Ruling in CC Docket No. 96-98 and Notice of Proposed Rulemaking in CC Docket No. 99-68, FCC 99-38, 14 FCC Rcd 3689, 3701-3703, 3710 (1999) (*Reciprocal Compensation Ruling*); *Bell Atl. Tel. Companies v. F.C.C.*, 206 F.3d 1 (D.C. Cir. 2000) (*Bell Atlantic v. F.C.C.*); *Implementation of the Local Competition Provisions of the Telecommunications Act of 1996; Inter-Carrier Compensation for ISP-Bound Traffic*, Public Notice, CC Docket Nos. 96-98 and 99-68, FCC 00-227 (rel. June 23, 2000) (*Reciprocal Compensation Ruling Remand Public Notice*).

Electronic Filing of Documents in Rulemaking Proceedings, 63 Fed. Reg. 24,121 (1998). Comments filed through the ECFS can be sent as an electronic file via the Internet to <<http://www.fcc.gov/e-file/ecfs.html>>. Generally, only one copy of an electronic submission must be filed. If multiple docket or rulemaking numbers appear in the caption of this proceeding, however, commenters must transmit one electronic copy of the comments to each docket or rulemaking number referenced in the caption. In completing the transmittal screen, commenters should include their full name, Postal Service mailing address, and the applicable docket or rulemaking number. Parties may also submit electronic comments by Internet e-mail. To receive filing instructions for e-mail comments, commenters should send an e-mail to ecfs@fcc.gov, and should include the following words in the body of the message, "get form <your e-mail address>." A sample form and directions will be sent in reply. Parties who choose to file by paper must file an original and four copies of each filing. If more than one docket or rulemaking number appears in the caption of this proceeding, commenters must submit two additional copies for each additional docket or rulemaking number. All filings must be sent to the Commission's Secretary, Magalie Roman Salas, Office of the Secretary, Federal Communications Commission, 445 12th Street, S.W., Washington, D.C. 20554.

Parties also must send paper copies of their filings to the individuals listed in the attached Service List. Parties must send three paper copies of their filing to Sheryl Todd, Accounting Policy Division, Common Carrier Bureau, Federal Communications Commission, 445 Twelfth Street S.W., Room 5-B540, Washington, D.C. 20554. In addition, commenters must send diskette copies to the Commission's copy contractor, International Transcription Service, Inc., 1231 20th Street, N.W., Washington, D.C. 20037.

Pursuant to section 1.1206 of the Commission's rules, 47 C.F.R. § 1.1206, this proceeding will be conducted as a permit-but-disclose proceeding in which *ex parte* communications are permitted subject to disclosure.

The full text of this document is available for public inspection and copying during regular business hours at the FCC Reference Information Center, Portals II, 445 12th Street, SW, Room CY-A257, Washington, DC, 20554. This document may also be purchased from the Commission's copy contractor, International Transcription Service, Inc. (ITS), 1231 20th Street, NW, Washington, DC 20036, telephone 202-857-3800, facsimile 202-857-3805.

For further information, contact William Cox, Accounting Policy Division, Common Carrier Bureau, at (202) 418-7400, TTY (202) 418-0484.

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